

Good morning, my name is Marie Lenane and I am a Purchase of Service Pricing Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 414.00: Rates for Family Stabilization Services, that will amend the rates for family stabilization services currently purchased by the Department of Children and Families (DCF) as Family Resource Centers (FRCs). FRCs are community-based, culturally competent programs that provide evidence-based parent education groups, information and referral, mentoring, and other opportunities for children and families in need. FRCs also provide services specific to children who are having serious problems at home and at school, including runaways, truants, and sexually exploited children.

Amendments to this regulation are being proposed at this time in accordance with M.G.L. Chapter 118E, Section 13D, which requires the Secretary of EOHHS to establish by regulation rates of payment for social services that are reasonable and adequate to meet the costs incurred by efficient and economically operated social service providers.

The rates for FRC services are being updated to include an increase by a cost adjustment factor (CAF) of 2.00%. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2020 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (calendar year 2021 second quarter) and the prospective period of fiscal years 2022 and 2023. The rates for DCF's FRC services found within family stabilization services have been updated to incorporate an employer and employee contribution required by the Massachusetts paid family and medical leave law. As part of the workforce initiative, all staff salaries, with the exception of the program management

position, have been benchmarked to the Massachusetts Bureau of Labor Statistics median wages for 2017/2018. The program management salary has been benchmarked to 101 CMR 427.00: *Rates for Youth and Young Adult Support Services*. Finally, the tax and fringe rate has been benchmarked to 22.40% and the administrative allocation has been benchmarked to 12%.

The total projected annualized cost to state government from the increase in rates effective July 1, 2021, is \$313,166, which represents an increase of 2.06% over FY20 spending of approximately \$15.2 million.

This concludes my testimony. Thank you.